

**ANNINGTON SUBSIDIARY HOLDINGS
LIMITED**

Report and Financial Statements

31 March 2012

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ANNINGTON SUBSIDIARY HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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ANNINGTON SUBSIDIARY HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J B Chambers
J C Hopkins
N P Vaughan

SECRETARY

J B Chambers

REGISTERED OFFICE

1 James Street
London
W1U 1DR

SOLICITORS

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

BANKERS

The Royal Bank of Scotland
London Corporate Service Centre
PO Box 39952
2 1/2 Devonshire Square
London
EC2M 4XJ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITIES

The company's principal activity during the year was as a holding company. The company's movement in revaluation reserve was a surplus of £806.7 million (2011: £34.1 million surplus) as a result of revaluations in subsidiary holdings.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Further details regarding the adoption of the going concern basis can be found in note 1 'Accounting Policies' in the financial statements.

DIRECTORS

The directors who served throughout the year were

J B Chambers

J C Hopkins

N P Vaughan

FINANCIAL RISK MANAGEMENT

The company is financed by another group company and has no third party debt.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

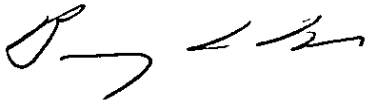
Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



J B Chambers

Director

29 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNINGTON SUBSIDIARY HOLDINGS LIMITED

We have audited the financial statements of Annington Subsidiary Holdings Limited for the year ended 31 March 2012 which comprise the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNINGTON SUBSIDIARY HOLDINGS LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Claire Faulkner (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
29 June 2012

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

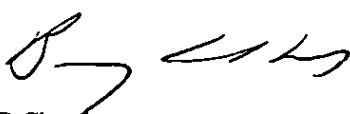
BALANCE SHEET 31 March 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	4	<u>3,453,808</u>	<u>2,647,074</u>
CREDITORS: amounts falling due within one year	5	<u>(25)</u>	<u>(25)</u>
NET CURRENT LIABILITIES		<u>(25)</u>	<u>(25)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>3,453,783</u>	<u>2,647,049</u>
CAPITAL AND RESERVES			
Called up share capital	6	-	-
Revaluation reserve	7	<u>3,453,783</u>	<u>2,647,049</u>
SHAREHOLDERS' FUNDS	8	<u>3,453,783</u>	<u>2,647,049</u>

The company did not trade during the current or the preceding year and has made neither profit or loss during the year to 31 March 2012

The financial statements of Annington Subsidiary Holdings Limited, registered number 3482521, were approved by the Board of Directors and authorised for issue on 29 June 2012

Signed on behalf of the Board of Directors


J B Chambers

Director

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 2012

	2012	2011
	£'000	£'000
Result attributable to shareholders	-	-
Surplus on revaluation of investment in subsidiary undertakings	806,734	34,087
Total recognised gains and losses relating to the financial year	<u>806,734</u>	<u>34,087</u>

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention, on a going concern basis and in accordance with applicable United Kingdom accounting standards.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2. The directors' report on pages 2 and 3 describes the principal activities of the company and its financial risk management objectives.

As the company is a holding company, it has no day to day working capital requirements.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Group accounts

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a subsidiary of another company for which consolidated accounts are prepared.

Cash flow statement

The company is a subsidiary of Annington Holdings plc and is included in the consolidated financial statements of Annington Holdings plc which include a consolidated cash flow statement and are publicly available. The company has therefore elected to make use of the exemption provided in Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" not to produce its own cash flow statement.

Investment in subsidiary undertaking

The company's investments in the shares of subsidiary undertakings are stated at net asset value shown at 31 March 2012. This includes, where applicable, the professional valuation of properties. Surpluses and deficits arising from changes in net asset value are taken to the revaluation reserve.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors' emoluments are borne by another group company in the current and preceding year.

The company had no employees of its own during the year (2011 - nil).

3. RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditor's remuneration was £3,700 (2011 - £3,600) for the audit of the company's annual accounts, £nil (2011 - £nil) for other services relating to taxation and £nil (2011 - £100) for other accounting services and was borne by another group company in the current and preceding year.

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2012

4. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2012 £'000	2011 £'000
Investment brought forward	2,647,074	2,612,987
Revaluations	806,734	34,087
	<u>3,453,808</u>	<u>2,647,074</u>

The historical cost investments in subsidiary undertakings as at 31 March 2012 was £25,004 (2011 - £25,004)

The principal undertakings at 31 March 2012, all of which are wholly owned, are shown below

Name of subsidiary undertaking	Country of incorporation	Principal activity
Annington Property Limited	Great Britain	Property investment
Annington Finance No 1 plc	Great Britain	Finance
Annington Finance No 4 plc	Great Britain	Finance

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Amounts due to group undertakings	25	25
	<u>25</u>	<u>25</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand

6. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Called up, allotted and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

ANNINGTON SUBSIDIARY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2012

7. STATEMENT OF MOVEMENTS ON RESERVES

	Revaluation reserve £'000
At 1 April 2011	2,647,049
Revaluation surplus	806,734
At 31 March 2012	<u>3,453,783</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Revaluation surplus	806,734	34,087
Net increase in shareholders' funds	806,734	34,087
Opening shareholders' funds	2,647,049	2,612,962
Closing shareholders' funds	<u>3,453,783</u>	<u>2,647,049</u>

9. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary within the Annington Holdings plc group and is included in the consolidated financial statements of Annington Holdings plc. The company has taken advantage of the exemption provided in Financial Reporting Standard 8 "Related Party Disclosures" not to make disclosure of transactions with other entities that are part of the same group, on the basis that all subsidiary undertakings party to the transactions are wholly owned by a member of the group.

10. PARENT COMPANY

Annington Homes Limited, a company incorporated in Great Britain, is the immediate parent company, Annington Holdings plc, a company incorporated in Great Britain, is the intermediary parent and Le Grand Annington Limited, a company incorporated in Great Britain, is the ultimate holding company and controlling party.

Le Grand Annington Limited is the parent company of the largest and Annington Homes Limited is the parent company of the smallest group of which the company is a member and for which consolidated financial statements are drawn up. Group accounts for both companies are available on request from the registered offices at 1 James Street, London W1U 1DR.

Nomura Investments (AH) Limited holds 75,636 warrants, exercisable at any time for shares in Annington Homes Limited. If these warrants were exercised by Nomura Investments (AH) Limited, this would dilute Le Grand Annington Limited's ownership to 52% of one share out of 75,637 shares issued by Annington Homes Limited.

The warrants can be exercised at a price of £19,696 each. If the warrants are not exercised before 1 January 2015 the exercise price will increase to £21,666. Nomura Investments (AH) Limited does not have any other rights to take up shares in Annington Homes Limited.